



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 17-2012]

Foreign-Trade Zone 158 – Vicksburg/Jackson, Mississippi
Application for Manufacturing Authority
Morgan Fabrics Corporation
(Upholstered Furniture Covering Sets)
Verona, Mississippi

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Greater Mississippi Foreign-Trade Zone, Inc., grantee of FTZ 158, requesting manufacturing authority on behalf of Morgan Fabrics Corporation (MFC), to manufacture upholstered furniture covering sets under FTZ procedures within FTZ 158. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR part 400). It was formally filed on March 19, 2012.

The MFC facility (33 employees) is located at 108 Lipford Road within the Tupelo Lee Industrial Park (Site 17) in Verona, Lee County, Mississippi. The application proposes that MFC would utilize foreign-origin “micro-denier suede” fabric (up to 3 million square yards per year) to be cut and sewn into upholstery covering sets (*i.e.*, furniture parts) under FTZ procedures. The finished covering sets (HTSUS 9401.90; duty free) would be shipped from the zone to U.S. furniture manufacturing plants where they would be incorporated into upholstered furniture.

The proposed scope of authority under FTZ procedures would only involve duty savings on foreign origin, micro-denier suede fabrics (classified under HTSUS Headings 5407, 5512, 5515,

5516, 5903, 5906, 6001, 6005, 6006; duty rate range: 2.7–17.2%) finished with a caustic soda wash process, which the applicant indicates are not produced by U.S. mills. The application indicates that MFC does not seek FTZ benefits on any other foreign fabrics that the company may use in production at the facility (*i.e.*, full duties would be paid on all such fabrics).

On foreign micro-denier suede fabric used in production for the U.S. market, the company would be able to choose the finished upholstery covering set (*i.e.*, furniture part) duty rate (free) after the fabric has been cut, sewn, and formed into covering sets, at which time they would be entered for consumption from the zone. The application indicates that the savings from FTZ procedures would help improve the facility's international competitiveness.

In accordance with the Board's regulations, Pierre Duy of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is ***[insert date 60 days from date of publication]***. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to ***[insert date 75 days from date of publication]***.

A copy of the application will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section

of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Pierre Duy at Pierre.Duy@trade.gov or (202) 482-1378.

Dated: March 19, 2012

Andrew McGilvray
Executive Secretary

[FR Doc. 2012-7059 Filed 03/22/2012 at 8:45 am; Publication Date: 03/23/2012]